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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

♦**Corn.** The November forecast for 1999 corn production is 9.54 billion bushels, up 1% from the last forecast but down 2% from last year. Based on November 1 conditions, yields are expected to average 134.5 bushels per acre, up 1.0 bushel from last month and 0.1 bushel from a year ago. Ideal weather conditions allowed rapid harvest progress and limited harvest loss throughout the Corn Belt. A market year average price between \$1.60 and \$2.00 a bushel is expected, compared to \$1.95 for the 1998 crop.

♦**Soybeans.** The 1999 soybean crop is forecast at 2.67 billion bushels, down 1% from October 1 and 2% below last year's record of 2.74 billion bushels. The yield forecast, at 36.7 bushels per acre, decreased 0.3 bushel from last month and is 2.2 bushels below the 1998 final yield. The projected market year average price is between \$4.60 and \$5.10 per bushel, which compared to \$5.00 for the 1998 crop year.

♦**Cotton.** Stronger exports highlight this month's U.S. cotton outlook. The production is forecast at 16.5 million 480-pound bales, up 100,500 bales from last month and 19% from 1998. Yields are expected to average 592 pounds per harvested acre, down 33 pounds from last year. On November 7, U.S. harvest was 72% complete, compared to the 5-year average of 70%. Projected exports were raised to 5.7 million bales, increasing the U.S. share of world trade slightly to 22%.

♦**All Rice.** U.S. rice production is forecast at a record high 212 million cwt, down slightly from October 1 but 13% above 1998. The average yield is forecast at 5,929 pounds per acre, down 16 pounds from last month but up 260 pounds from 1998. The market year average price is expected to average between \$5.50 and \$6.00 per cwt compared to \$8.83 per cwt for the 1998 crop year.

♦**Tobacco.** U.S. all tobacco production for 1999 is forecast at 1.27 billion pounds, down 14% from 1998 and 29% from 1997. Harvested area is expected to total 649,140 acres, down less than 1% from the previous forecast and 10% from a year ago. Yields for 1999 are expected to average 1,956 pounds per acre, 105 pounds below 1998. Flue-cured production is expected to total 658 million pounds, 19% below a year ago. Fire-cured production is expected to total 36.4 million pounds, 9% below a year ago. Burley production is expected to total 535 million pounds, 8% below a year ago.

♦**Other Crops. Grain Sorghum** production is forecast at 596 million bushels, up from the October forecast of 580 million bushels and 15% above the 1998 production of 520 million bushels. The U.S. yield is forecast at 70.2 bushels per acre, up from 68.3 bushels last month, and 2.9 bushels above the 1998 yield. The **peanut crop** is forecast at 3.83 billion pounds, down 3% from last year's crop. U.S. yields are expected to average 2,664 pounds, down 38 pounds from last year.

♦**Cattle.** November 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 11.46 million head, up 6% from a year earlier. October placements were up 9% from the previous year. Marketings of fed cattle were 3% above 1998. At mid-November, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$70 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$85 per cwt in mid-November, up \$5 from mid-October.

♦**Hogs.** Hog slaughter during October was down 4% from last year. During the first two weeks of November slaughter was running about 1-2% below a year ago. Prices at mid-November (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$37 per cwt, up \$2 from mid-October. First quarter prices are expected to average \$32 per cwt.

♦**Other Livestock.** October **milk production** was up 4.3% from the previous year. Production per cow increased 3.5%, however, the number of cows was up only slightly from October 1998. The October **Basic Formula Price (BFP)** was \$11.49 per cwt, down \$4.77 from September. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) decreased 3.2 cents per pound for the first week of November and 4.2 cents during the second week. This suggests that the November BFP will be down. During September, total **cheese** production was 9.5% above the previous year, **butter** production was up 15.5%, and **nonfat dry milk** production was up 42.7%. Sheep slaughter for October totaled 305 thousand head, down 6% from last year. The average live weight was 130 pounds, up 3 pounds from a year ago. U.S. table **egg production** totaled 6.03 billion during October, up 5% from 1998. Wholesale market **egg**

prices for the fourth quarter of 1999 (Grade A large, New York) are expected to average 69-71 cents per dozen, compared with 81.7 cents a year ago. First quarter 2000 egg prices are expected to average 63-67 cents per dozen, compared with 75.0 cents a year ago. **Broiler**-type eggs in incubators on November 1 totaled 574 million, 1% less than last year. Broiler-type hatch for October 1999 was 698 million, 1% above a year ago. The wholesale 12-city price for whole **broilers** for the fourth quarter of 1999 is expected to average 56-58 cents per pound, compared to 64.5 cents for the fourth quarter of last year. First quarter 2000 broiler prices are expected to average 52-56 cents per pound, compared with the 58.1 cents for a year earlier. Cumulative **turkey poult placements** for the 1999 marketing year through August were 295 million, 3% less than the same period a year ago. Placements in October, at 22.3 million, were 2% less than last October. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 1999 are expected to be in the 77-79 cent range compared with 71.2 cents for the fourth quarter last year. Turkey prices for the first quarter of 2000 are expected to average 63-67 cents per pound, compared with the 59.4 cents average for the first quarter of 1999. **Supplies in refrigerated warehouses** at the end of October compared with a year earlier were: total chicken, up 34%; turkey, down 25%; pork, up 3%; beef, down 11%; and frozen orange juice, down 20%.

♦**Trade.** November U.S. **trade projections** for cotton and beef improved while 1999/2000 export prospects for wheat and soybeans declined, compared with last month. Corn, rice, pork, broiler, and turkey export projections were unchanged from October. November projections for the volume of exports for the 1999/2000 marketing year compared to 1998/1999 are: **wheat** up 6%; **corn** down 3%; **rice** down 2%; **soybeans** up 8%; **soybean meal** up 3%; **soybean oil** down 25%; and **cotton** up 31%. November projections for the volume of meat exports in calendar 2000 compared to 1999 are: **beef** down 3%; **pork** down 7%; **broilers** up 1%; and **turkeys** up 3%. The U.S. **trade** deficit for goods and services increased to \$24.4 billion in September, from a revised \$23.5 billion in August. The U.S. **agricultural trade** surplus was \$1.097 billion in September, compared with \$959 million in August.

♦**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.2% in October and has increased 2.6% over the last 12 months. The **PPI** decreased 0.1% in October, following a September increase of 1.1%. The PPI increased 2.7% for the 12-month period ending in October. The October **prime rate**, averaging 8.25%, was unchanged from September. Compared to a year earlier, **feed** prices in October were down 1%; **feeder livestock and poultry** prices up 17%; **fertilizer** down 4%; **ag chemicals** up 1%; **farm machinery** down 2%; **seeds** down 2%; and **fuels** up 43%.

♦**World Weather and Crop Developments** (November 8-14). In the **United States**, the end of the harvest season approached with virtually no rain delays. Harvest remained active in the Atlantic Coastal Plains and parts of the southern and central Great Plains but was nearly complete in the Corn Belt, lower Mississippi Valley, and northern Great Plains. Farmers made rapid progress on fall tillage and fertilizer applications but dry soils limited drilling of wheat and other winter grains, particularly in the southern Great Plains. Record warmth stimulated winter wheat growth where moisture was available but was detrimental in areas that had moisture shortages. Light to moderate snow accompanied colder weather in northern **Russia**, increasing snow cover. Mostly dry weather stretched from Ukraine eastward through southern Russia, helping late-season fieldwork. The combination of a fall drought and recent cold have likely caused spotty emergence and limited plant establishment in south-central Ukraine, making crops more vulnerable to potential winterkill conditions. In cotton-producing areas of **Central Asia**, the first significant autumn freeze ended the growing season as far south as southern Turkmenistan. In central **Argentina**, mostly dry weather favored summer crop planting and filling to maturing winter wheat. Last week's widespread rainfall boosted soil moisture levels throughout the summer crop areas. Dry weather returned to northern Argentina and southern Paraguay, where long-term moisture deficits have reduced available soil moisture for cotton and soybeans. In **Mexico** and **Central America**, seasonably dry weather continued to aid corn harvesting in the Southern Plateau. Moderate rain fell across Veracruz, Tabasco, and the eastern Yucatan Peninsula, causing additional concerns about wetness.

♦**Other News.** The U.S. **farm sector** saw cash receipts slide in 1999 as supplies rose and farm prices fell overall. But record government payments are expected to pull up net cash income to just below the 1997 record. With national average crop yields high and export demand stagnant over the last 3 years, stocks are mounting for key commodities, including wheat, corn, soybeans, cotton, and rice. Field crop prices have fallen from record or near-record levels in the mid-1990's to the lowest in many years. Although total meat production is forecast record large in 1999, some livestock prices, particularly cattle, are showing signs of recovery. While the **1999 drought** has had severe financial impacts on agricultural producers in the drought regions, its impact on U.S. agricultural production has been limited. The drought will reduce commodity receipts relative to 1998 by an estimated \$1.29 billion. Estimated farm net income losses, including expected yield losses, increases in expenses, and insurance indemnities, will total \$1.35 billion, about 3% of expected 1999 U.S. net farm income. Drought impacts in areas of the Northeast designated as extreme and severe drought are expected to reduce farmers' net income by nearly \$840 million. Fiscal 1999 U.S. **agricultural exports** of \$49.1 billion were down 9% from a year earlier. Imports, however, rose slightly to \$37.4 billion. Despite increasing monthly trade surpluses since June 1999, the export surplus of \$11.7 billion was still \$5.1 billion lower than in 1998. Bulk commodity export value fell 11% in 1999, despite a 23% rise in volume. The bulk value of \$17.7 billion was 2.3 billion below 1998's value, primarily due to the lowest prices since 1987. The dollar's high exchange value over the past 3 years made U.S. exports more expensive in terms of foreign currency. In value, only corn exports exceeded last year.
